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ESTIMATE OF COST REQUIREMENTS

1. Physical Examination of Dependents

In estimating the costs for the physical examination and/or evaluation of dependents, the following basic statistics were used:

Average number of dependents going overseas
per month

Current number of examinations (employees)
per month

Dependent examination to be required per
month by Operating Officials:

FE Division
NEA Division
Others

Dependent examination required per month
after review of Medical History State-
ment (5% of monthly average less those
required by Operating Officials)

Voluntary examinations (75% of balance of

Total dependent examinations per month

This figure of [REDACTED] is approximately one-third (1/3) of the current
monthly examination workload (employees) of [REDACTED]. Accordingly, in order
to increase this workload by one-third (1/3), the following is required:

a. Personal services (annual):

[REDACTED]

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b. Equipment:

One (1) 70 MM X-ray	\$ 11,000
One (1) Electrocardiograph	650
Equipment for two (2) Examining Rooms @ \$600 each	<u>1,200</u>
Total Additional Equipment Costs	\$ 12,850

Then,

$$\$26,005 / \$12,850 =$$

TOTAL COST OF PHYSICAL EXAMINATION OF
DEPENDENTS FOR INITIAL YEAR

= \$ [REDACTED]

25X1A

2. Hospitalization and Medical Travel

In estimating the costs for hospitalization and medical travel, the following basic statistics were used:

Number of employees overseas	:	[REDACTED]	25X9A2
Number of dependents overseas (2.7 X number of employees)	:	[REDACTED]	25X9A2
Average number of persons hospitalized per year*	:	15 per thousand	
Average length of hospitalization*	:	8.4 days	
Average daily cost of hospitalization and medical travel per person*	:	\$50	

* Formula used by Office of the Surgeon General, Department of the Army.

The cost estimates are derived as follows:

Since,

Number of Employees [REDACTED] 25X9A2

$$\times \frac{15}{1000} = \text{Employees hospitalized overseas per year} = [REDACTED] \quad 25X9A2$$

Number of Dependents [REDACTED] 25X9A2

$$\times \frac{15}{1000} = \text{Dependents hospitalized overseas per year} = [REDACTED] \quad 25X9A2$$

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And,

Average length of hospitalization (8.4 days) X
Cost per day (\$50) = Cost per year for
hospitalization and medical travel per
person

= \$ 420;

Then,

25X9A2 [REDACTED] X \$420 = Cost per year for employee hospitalization and medical travel = \$ [REDACTED] 25X9A2

25X9A2 [REDACTED] X \$420 = Cost (gross) per year for dependent hospitalization and medical travel = \$ [REDACTED] 25X9A2

25X9A2 But since for each of the [REDACTED] dependent hospitalizations, [REDACTED] is deductible, then 25X1A

25X9A2 [REDACTED] = Cost (net) per year for dependent hospitalization and medical travel = \$ [REDACTED] 25X9A2

25X9A2 Therefore,
[REDACTED] = TOTAL COST OF HOSPITALIZATION AND MEDICAL TRAVEL PER YEAR = \$ [REDACTED] 25X9A2

3. Summary

25X9A2 Hence, the total costs for the initial year of the program is [REDACTED]. It should be noted that certain monies are allocated by the Comptroller to date for overseas costs of hospitalization of employees. The [REDACTED] represents total cost. 25X9A2
25X9A2 It is estimated that the annual costs thereafter would be approximately [REDACTED]

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